

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1990 - SB 2585

February 15, 2018

SUMMARY OF BILL: Requires the Comptroller of the Treasury (COT) to study the implementation of episodes of care within the payment reform initiative developed by the Division of TennCare (Division), and the Health Care Finance and Administration Division of the Department of Finance and Administration, in response to a state innovation model initiative grant from the federal Centers for Medicare and Medicaid Services (CMS). Requires the study to examine the implementation of bonuses and penalties within episodes of care with attention to the equity of the system with respect to providers and its relationship to costs associated with independent actors within individual episodes of care. Requires the COT to report, on or before January 15, 2019, on findings and recommendations for legislation concerning the episodes of care program to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$50,000/One-Time

Assumptions:

- The COT would need to hire outside assistance with expertise in this subject matter. The one-time increase in state expenditures for contracting out these services is estimated to be \$50,000. Any portion of the study that can be completed within the COT can be accommodated utilizing existing resources without an increased appropriation or reduced reversion.
- Based on information provided by the Division, any audit requests can be accommodated utilizing existing resources without an increased appropriation or reduced reversion.

IMPACT TO COMMERCE:

Increase Business Revenue – \$50,000/One-Time

Increase Business Expenditures – Less than \$50,000/One-Time

Assumptions:

- The contractor will experience a one-time increase in business revenue for providing assistance in studying episodes of care in the amount of \$50,000.
- For companies to retain solvency, any increased expenditures are estimated to be less than the amount of revenue collected.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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